

I-195 REDEVELOPMENT DISTRICT

MEETING OF COMMISSION

PUBLIC SESSION

September 10, 2012

The I-195 Redevelopment District (the "District") Commission met on Monday, September 10, 2012, in Public Session, beginning at 5:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Commissioners, and public notice of the meeting, a copy of which is attached hereto, as required by applicable Rhode Island law.

The following Commissioners were present and participated throughout the meeting as indicated: Chairperson Colin Kane, Ms. Barbara Hunger, Ms. Diana Johnson, Mr. John Kelly, Dr. Barrett Bready, Mr. Michael Van Leesten, Mr. William Parsons (ex officio) and Mr. Bob Azar, designee of Mr. James Bennett (ex officio).

Members Absent: Mr. Mark Ryan.

Also present was: Mr. Robert I. Stolzman, who acted as Assistant Secretary and Mr. Michael Walker, as staff assigned by the Rhode Island Economic Development Corporation.

Chairperson Kane called the meeting to order at 5:00 p.m.

1. APPROVAL OF THE PUBLIC SESSION MINUTES OF THE MEETING HELD ON AUGUST 20, 2012

Upon motion duly made by Mr. Kelly and seconded by Ms. Johnson, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meeting held on August 20, 2012, as submitted to the Commission.

Voting in favor of the foregoing were: Chairperson Kane, Ms. Hunger, Ms. Johnson, Mr. Kelly, Dr. Bready and Mr. Van Leesten.

Voting against the foregoing were: None.

2. UPDATE FROM FUSS & O'NEIL ON CIVIL ENGINEERING ACTIVITY AND SCOPE OF WORK

John Chambers from Fuss & O'Neil presented an update on the engineering activities and public notice (see slides attached as **Exhibit A**). Mr. Chambers explained the Phase I and Phase II Environmental Site Assessment schedule. Mr. Chambers explained that site access permission from the Rhode Island Department of Transportation ("RIDOT") was expected by September 13th. After RIDOT grants site access, soil samples will be collected for (3) to five (5) days. Mr. Chambers explained that the groundwater sampling would begin between September 24th – 27th; final laboratory data will be provided by October 4th; the Phase I Assessment will be complete by October 5th; the Phase II Data Analysis will be complete by October 8th; and the Commission environmental evaluation will occur between October 9th – 15th. An update of all activities will be provided at the next Commission board meeting scheduled for October 15th. Mr. Chambers explained that a concern with environmental contamination of the property includes the migration of contaminants. Chairperson Kane commented on the condensed environmental assessment schedule and noted that typically this testing could take up to six (6) months. The Commission discussed that the results of this work will benefit future developers in satisfying certain lender requirements in connection with financing the development of the land.

Mr. Chambers explained the public notice requirements for notifying the abutting property owners and members of the public regarding the environmental site investigation and remediation of the property, including, without limitation, the requirement to identify the environmental justice areas. Mr. Chambers explained that all abutting land owners were notified by letter which included a fact sheet of materials. Further, Mr. Chambers explained that a public meeting will be held for purposes of obtaining information about the conditions at the site and the environmental clean-up. Mr. Van Leesten suggested sending a letter to the elected officials in the district.

3. UPDATE REGARDING THE BOND FINANCING

Richard Licht, the Director of the Department of Administration, explained how valuable the development of the I-195 land will be for the State of Rhode Island. Director Licht commended the Commissioners on the significant work completed to date. Director Licht explained that State appropriation bonds up to \$42 million to be issued by the Rhode Island Economic Development Corporation ("EDC") were approved by the General Assembly. Director Licht explained that the bonds will be secured by State appropriations and a payment agreement with the State. EDC will issue the bonds and lend the proceeds to the Commission. The Commission will pay the bond proceeds, after the cost of issuing the bonds, to RIDOT, and RIDOT will transfer the I-195 land from RIDOT to the Commission. Director Licht explained that when the I-195 parcels of land are sold, the net

proceeds, as defined in the bond documents, will be available to pay down the debt.

Peter Johnson, Esq., bond counsel to the EDC, distributed an outline of the bond issuance (See **Exhibit B**). Mr. Johnson explained that the bonds will be issued in the Bank Purchase Mode under a loan and trust agreement among the EDC, the Commission and a trustee to be named therein. The bonds will bear interest at the bank purchase rate, a Libor-based interest rate with a monthly reset, equal to the lesser of (i) the sum of a 30-day Libor and the applicable margin; and (ii) eight (8%) percent. Mr. Johnson explained that the bonds are secured by state appropriations and a payment agreement with the State. Chairperson Kane noted that the I-195 land is not security for the payment of the bonds. Further, Mr. Johnson explained the mechanics of the payment agreement and the timeline of the bond issuance. Upon inquiry by Dr. Bready, Mr. Johnson and Mr. Licht explained the benefits of utilizing a variable rate structure in this instance due to the ability to prepay principal.

4. UPDATE ON REAL ESTATE PURCHASE TRANSACTIONS

Rob Stolzman presented an update on the process by which the Commission will acquire title to the I-195 land from RIDOT. Mr. Stolzman distributed a map of the I-195 land (see **Exhibit C**). Mr. Stolzman explained that it was his recommendation that the Commission take title only to that property only that the Commission will actually use and transfer to subsequent purchasers, or parks, and leaving the title to the roads with RIDOT, who will transfer them to the City upon completion. There are eighteen (18) developable parcels for a total of 20.24 acres. Parcel 22 is the largest at 2.76 acres and parcel 14 is the smallest at .25 acres.

Mr. Stolzman explained that RIDOT has been meeting regularly with the Commission and Fuss & O'Neill to review the parcels and prepare certain road construction easements for closing. The Commission will take title to the I-195 land subject to road construction and utility easements that will be reviewed and approved by the Commission in advance. The easements are necessary to allow RIDOT the ability enter upon the I-195 land subsequent to the closing to finalize construction of the roads. Mr. Stolzman explained that the closing will occur after the Commission is satisfied with the environmental condition, the title and the configuration of the lots.

5. UPDATE ON THE EXECUTIVE DIRECTOR SELECTION PROCESS

Chairperson Kane reported that he, Dr. Bready and Mr. Van Leesten narrowed down the prospective search firm candidates to four (4) candidates to interview. The four (4) candidates were fully vetted and ranged from having significant local experience to the 5th largest global search firm in the country. The subcommittee interviewed all four (4) candidates on Tuesday, September 4th and have a unanimous recommendation to the Board.

6. DISCUSSIONS CONCERNING BUDGET FOR THE DISTRICT

Chairperson Kane reviewed the operating expenses for Fiscal Years 2013-2015. The Commissioner discussed that the operating and capital budget expenditures are spent almost entirely on third party and maintenance costs. Chairperson Kane requested authority to commence utilizing the budget format for purposes of establishing a template for the Commission's accounting.

Upon motion duly made by Mr. Kelly and seconded by Mr. Van Leesten, the following vote was adopted:

VOTED: To approve a budget template for establishing a chart of accounts used to track budget versus actual expenses.

Voting in favor of the foregoing were: Chairperson Kane, Ms. Hunger, Ms. Johnson, Mr. Kelly, Dr. Bready and Mr. Van Leesten.

Voting against the foregoing were: None.

7. FOR DISCUSSION AND CONSIDERATION OF ENGAGEMENT OF EXECUTIVE DIRECTOR SERACH FIRM

Upon a motion made by Ms. Johnson and seconded by Dr. Bready, the following vote was adopted:

VOTED: To go into closed session, pursuant to the Open Meetings Act, Rhode Island General Laws Section 42-46-4, in order to enter into discussions concerning the engagement of an executive director search firm under Sections 42-46-5(a)(5) and 5(a)(7).

Voting in favor of the foregoing were: Chairperson Kane, Ms. Hunger, Ms. Johnson, Mr. Kelly, Dr. Bready and Mr. Van Leesten.

Voting against the foregoing were: None.

Members of the public were then asked to leave the boardroom for the closed session.

The public session was reconvened at 7:25. p.m.

Chairperson Kane reported that the discussion during the closed session was confined to a discussion on the negotiation of terms for the engagement of an executive director search firm and that the only votes taken during closed session were to engage a search firm, end the closed session, maintain the closed session records, and reconvene the public session.

Upon motion duly made by Ms. Johnson and seconded by Mr. Van Leesten, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws 42-46-4, 42-46-5 and 42-46-7, the Open Meetings Act, the minutes of the closed session shall not be made available to the public, except as to the portions of such minutes as the Commission ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Chairperson Kane, Ms. Hunger, Ms. Johnson, Mr. Kelly, Dr. Bready and Mr. Van Leesten.

Voting against the foregoing were: None.

6. ESTABLISHING AN AGENDA FOR THE NEXT COMMISSION MEETING.

The Commission discussed items to be addressed at the District's upcoming meeting on October 15th.

There being no further business in Public Session, upon a motion by Ms. Hunger and seconded by Mr. Van Leesten the meeting was adjourned at 7:30 p.m.

Robert I. Stolzman, Assistant Secretary